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Questioning Parody as a Defense

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QUESTIONING PARODY AS A DEFENSE

INTRODUCTION

Parody is no "defense" to a likelihood of confusion[1] – or is it? When faced with an infringement action, a defendant that has an expressive work can claim that not only would the work be unlikely to cause consumer confusion, but also that it was meant to comment or ridicule another in parody. For instance, a fake advertisement in Hustler Magazine for Campari Liqueur depicted an interview with Minister Jerry Falwell regarding his "first time."[2] In the fictitious ad, Falwell states that his "first time" was with his mother in an outhouse.[3] The ad included a disclaimer that stated: "Ad parody -- not to be taken seriously."[4] The court found the ad was speech protected by the First Amendment.[5] This ad was meant to poke fun at a political and public figure, and the writers' intentions were specifically outlined in the disclaimer. As speech, the ad was communicative rather than commercial, and was created only to produce a comical or ridiculous effect. This case represents a typical case of parody where the defendant's intentions were not to capitalize on or to copy the plaintiff's trademark, but only to comment.

Similarly, DC Comics ("DC") produced a comic strip copied from a Charles Atlas company ("Atlas") advertisement with only a small difference in the last frame, claiming its use of Atlas' trademark was a parody.[6] Additionally, DC printed a series of comic strips and a character explicitly based on a federally

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[1] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:153 (4th Ed. 1997).
[2] Hustler Magazine, Inc. v. Falwell, 485 U.S. 46 (1988).
[3] *Id.* at 48.
[4] *Id.*
[5] *Id.* at 57.
[6] Charles Atlas, Ltd. v. DC Comics, Inc., 112 F. Supp.2d 330, 332 (S.D.N.Y. 2000).

registered trademark owned by Atlas.[7] Atlas ran its advertisement many times in DC Comics, only to have the comic capitalize on Atlas' popularity and goodwill. While the court found the statute of limitations had run, it nevertheless addressed the issues of infringement and parody. The Background of this Note will analyze the doctrine of parody and will give an overview of the parties involved. The Analysis will outline the court's opinion, the statute of limitations and trademark issues.

I. BACKGROUND

A. Doctrine of Parody

A parody is defined as "a literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule,"[8] and as "an imitation of a work more or less closely modeled on the original, but turned so as to produce a ridiculous effect."[9] Material that is considered parody is also considered artistic expression, and as expression or speech, it is therefore protected by the First Amendment.[10] Typically, a parody claim stems from an action for infringement, either trademark or copyright.[11] The defendant in a parody action usually uses the plaintiff's registered trademark or copyright to make a political comment or to make a joke about the plaintiff, its company, or its mark.[12] Technically, the plaintiff's intellectual property must be the subject or the target of the comment or joke for the work to

[7] *Id.*
[8] *Atlas*, 112 F. Supp.2d at 337-338;56 U.S.P.Q.2d 1176 (S.D.N.Y. August 28, 2000) (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580 (1994)).
[9] *Id.* at 338 (quoting Yankee Pub. Inc. v. News America Pub. Inc., 809 F. Supp. 267 (S.D.N.Y. 1992)).
[10] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:153 (4th Ed. 1997) (citing Cliffs Notes, Inc. v. Bantam Doubleday Dell Publishing Group, 886 F.2d 490 (2nd Cir. 1989)).
[11] *Id.*
[12] *Id.*

qualify as a "parody" in a legal sense.[13] Since a parody is considered artistic expression and protectable under the First Amendment, an infringement issue only arises when consumer confusion could occur.[14] In other words, a parody isn't an instant defense to an infringement action. If a parody either causes a likelihood of confusion or is commercial rather than communicative, then the First Amendment protection is narrowed.[15]

B. Charles Atlas, Ltd.

Charles Atlas has been in the bodybuilding business for over 70 years.[16] The company has advertised in DC Comic books many times over the years.[17] Atlas' ad was in the form of a comic strip. The strip outlined the story of a skinny man named Mac who was harassed by bullies on the beach.[18] After the bullies kicked sand in his face, Mac took Atlas' bodybuilding course and returned to the beach with a muscular physique.[19] To redeem himself after being harassed, he punched the bully and impressed a woman on the beach.[20] The final frame depicts Mac with the phrase "Hero of the Beach" above his head.[21] In addition to this comic ad, Atlas was well known for its representation by the image of Charles Atlas himself. Atlas' image is dressed in leopard-skin swim trunks and is holding a bodybuilding pose.[22] These images are highly recognizable by consumers, as Atlas has been using this character and image for nearly 70 years to represent its business.[23]

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[13] *Id.*
[14] *Id.*
[15] *Id.*
[16] *Atlas*, 112 F. Supp.2d at 331.
[17] *Id.*
[18] *Id.*
[19] *Id.*
[20] *Id.*
[21] *Atlas*, 112 F. Supp.2d at 331.
[22] *Id.*
[23] *Id.* at 331, 332.

C. DC Comics, Inc.

DC Comics is a publisher of comic books and has created well-known characters such as Superman, Batman, and Wonder Woman.[24] The comic book company holds copyrights and trademarks to these characters, their names and attributes, and has exploited these properties in the distribution of its comic books, and in films and merchandise.[25] DC Comics published an issue that included a comic about a character named "Flex Mentallo."[26] The first strip depicted the exact same story line and character as Atlas' advertisement.[27] The first frame showed a scrawny man that was beaten up by bullies on the beach. The strip follows Atlas' character Mac's story: the man obtained muscular strength after learning how to build up his body. But when he returned to the beach with his new muscles, rather than beat up the bullies, Flex Mentallo beat up the woman on the beach. In doing so, he exclaimed, "I don't need a tramp like you anymore!"[28] DC did not dispute that its comic was almost exactly the same as Atlas' advertisement. The comic strip was the same in its depiction as well as the placement of the characters, such as the bullies and the woman, in the same places on the beach.[29] The dialogue in the Flex Mentallo strip, except for the degrading language in the last frame, was exactly the same as that used in the Atlas advertisement.[30] In addition, the DC character, Flex Mentallo, is shown wearing leopard-skin swim trunks, similar to those worn by the image of Atlas used in Atlas' ads. This character, which looked like Atlas, built himself up only to beat up a woman.

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[24] *Id.* at 332.
[25] DC Comics, Inc. v. Unlimited Monkey Bus., Inc., 598 F. Supp. 110, 112 (N.D. Ga. 1984).
[26] *Atlas*, 112 F. Supp.2d at 332.
[27] *Id.*
[28] *Id.*
[29] *Id.*
[30] *Id.*

D. Charles Atlas, Ltd. v. DC Comics, Inc.

Atlas was unaware of the infringing DC strip until it received notification from a confused consumer.[31] The bodybuilding company received an email from a man unknown to the company, Ken Kniesel, who claimed he heard about Atlas from DC Comics' Flex Mentallo series.[32] Atlas immediately sent a cease and desist letter to DC Comics, notifying it of its awareness of the infringing material. The comic publisher not only stopped selling the series of comic books, but also abandoned plans to market and sell a trade paperback featuring the Flex Mentallo character.[33] Overall, DC Comics had continued its sale of the Flex Mentallo series for over seven years, and continued marketing its new Flex character until Atlas became aware of the infringement.[34]

Atlas filed this lawsuit alleging trademark infringement and misappropriation.[35] The bodybuilding company claimed consumer confusion was more probable since Atlas had advertised in the same comic for many years.[36] Atlas maintained that a consumer belief that the companies were in some way associated was more likely because of the previous Mac strips as advertisements in the comic book.[37]

DC Comics defended itself against trademark infringement, dilution, and unfair competition by claiming its rendition of the Atlas story was a parody, and was therefore protected under the First Amendment as expression.[38] Defendant also claimed plaintiff brought its suit after the statute of limitations had run.[39] The court accepted defendant's arguments, and granted its motion for summary judgment.[40]

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[31] *Atlas*, 112 F. Supp.2d at 333.
[32] *Id.*
[33] *Id.*
[34] *Id.*
[35] *Id.*
[36] *Atlas*, 112 F. Supp.2d at 333.
[37] *Id.*
[38] *Id.* at 335.
[39] *Id.* at 334.
[40] *Id.* at 341.

In its analysis and opinion, the Southern District of New York first addressed the statute of limitations issue. The court, using New York state fraud law, decided that the time period for trademark infringement statute of limitations was six years.[41] Also, the court decided that the period started running from the time the comic was published.[42] While the court used binding case law for its analysis, it failed to use appropriate and relevant case law. After having decided that the plaintiff had no claim because the statute of limitations had run, the court still took the time to continue its analysis regarding the trademark infringement and parody claims. This raises the question: why waste judicial economy and the court's time to analyze a moot point? The court found no likelihood of consumer confusion from the comic, but did not use the appropriate test for the fact situation.

II. ANALYSIS

A. Statute of Limitations: Did it start running at publication or at plaintiff awareness?

The statute of limitations issue for trademark actions is not yet well settled. Federal trademark law does not outline a time period for the statute of limitations. Courts analogize the trademark dispute with other types of disputes, such as fraud, to find an appropriate statute of limitations taken from that law.[43] Courts dispute whether the actual infringement, such as the publication of the infringing material, starts the clock running on the limitation, or whether the clock starts when the plaintiff becomes aware of the infringing material.[44]

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[41] *Atlas*, 112 F. Supp.2d at 334.

[42] *Id.*

[43] *Id.* (citing Conopco, Inc. v. Campbell Soup Co., 95 F.3d 187, 192 (2nd Cir. 1996)).

[44] *See, e.g.*, Harley-Davidson, Inc. v. Estate of O'Connell, 13 F. Supp.2d 271 (N.D.N.Y. 1998) (trademark infringement case in which the New York district court also used the state-law fraud six-year statute of limitations, but found that

DC Comics published the first series of strips called "The Sensational Character Find of 1991 . . . FLEX MENTALLO."[45] This series included the strip entitled "Musclebound – The Secret Origin of Flex Mentallo," which was the exact same story as Mac in Atlas' advertisement.[46] Even though the series began in 1991, the Atlas company was unaware of the strip until a confused consumer informed Atlas in 1998 that "he heard about Charles Atlas from reading DC Comics' Flex Mentallo series."[47] Immediately after Atlas became aware of the infringing material, the company sent a cease and desist letter to DC Comics, who, in turn, ceased its publication of the series.[48] In addition, DC no longer plans to reprint or redistribute back-issues of the Flex Mentallo series.[49] Further, after receiving the cease and desist letter, DC "aborted" plans to print a trade paperback that would have included Flex Mentallo.[50] While it claimed in court that the Flex Mentallo comic strip and series were parodies and were therefore protected by the First Amendment, DC nevertheless stopped printing the series when Atlas discovered its existence. DC seemed to be contradicting its actions with its claims: if DC truly believed they were protected by the First Amendment, why stop the Flex Mentallo series? It can be inferred that the defendant demonstrated bad faith in adopting the confusing character and, while claiming its works were parodies and protectable as expression under the First Amendment, nevertheless ceased publication of the character series when the original owner of the mark became aware of the infringing material.

The Atlas court used the statute of limitations for fraud claims in New York as its basis for finding the period of six years for Lanham Act actions.[51] While this is consistent with other

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it began to run as soon as the plaintiff discovered the facts which created the cause of action.).

[45] *Atlas*, 112 F. Supp.2d at 332.

[46] *Id.*

[47] *Id.* at 333.

[48] *Id.*

[49] *Id.*

[50] *Atlas*, 112 F. Supp.2d at 332.

[51] *Id.* at 334.

trademark infringement cases in New York,[52] the court further followed case law that found the period begins to run at the time the material is published.[53] The supporting case law finding that the period begins at publication involved publications generally, but in no way involved trademark law.[54] The court was only connecting to the fact that a publication was involved, rather than finding similar trademark infringement statute of limitations cases. The publication case law instead involved issues such as defamation, right of publicity, and civil discrimination.[55] While the cases themselves are binding and contain good law, the support nevertheless is misplaced.

A case such as *Harley-Davidson, Inc. v. Estate of O'Connell* would have been more relevant and appropriate.[56] The court in *Harley-Davidson* analyzed a claim of trademark infringement and the applicable statute of limitations.[57] *Harley-Davidson* analogized the New York fraud law to find the statute of limitations period for the trademark claim, similar to the Atlas court.[58] Even though both courts agreed that the limitation period was six years, the *Harley-Davidson* court decided the period should begin to run "as soon as the plaintiff discovers the facts which create the cause of action."[59] The only connection between the facts in Atlas and the case law used to support its decision regarding the statute of limitations is the *publication* of the comic. *Harley-Davidson*, among others, on the other hand, actually

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[52] *See* Harley-Davidson, Inc. v. Estate of O'Connell, 13 F. Supp.2d 271 (N.D.N.Y. 1998); Eppendorf-Netheler-Hinz v. Enterton Co., 89 F. Supp.2d 483 (S.D.N.Y. 2000).

[53] *Atlas,* 112 F. Supp.2d at 334 (citing Shamley v. ITT Corp., 869 F.2d 167, 172 (2nd Cir. 1989); Rostropovich v. Koch Int'l Corp., 1995 U.S. Dist. LEXIS 2785, No. 94 Civ. 2674, 1995 WL 104123 (S.D.N.Y. Mar. 7, 1995); Olsen v. Newsday, Inc., 1988 U.S. Dist. LEXIS 7265, No. 87 Civ. 2283, 1988 WL 69866 (E.D.N.Y. June 6, 1988)).

[54] *Id.*

[55] *Id.*

[56] 13 F. Supp.2d 271 (N.D.N.Y. 1998).

[57] *Id.*

[58] *Id.* at 279.

[59] *Id.* (citing Coleman v. Corning Glass Works, 619 F. Supp. 950, 953 (W.D.N.Y. 1985), *aff'd*, 818 F.2d 874 (Fed. Cir. 1987)).

involved a trademark infringement action.[60] While it is a good idea to find supporting case law that has similar facts as the case at hand, it is just as, if not more important, to find supporting case law making decisions in *the appropriate area of law*. The case law supporting the statute of limitations issue in Atlas was therefore misplaced. Under the appropriate binding case law, the statute of limitations had not run before Atlas filed its infringement suit. So, therefore, the Atlas court should have used *Harley-Davidson* in its analysis to find the statute of limitations had not yet run when the suit was filed.

B. Trademark Issues

Even though the Atlas court found the statute of limitations had run before the plaintiff brought its claim, the opinion continued to analyze DC's defense of parody.[61] In a First Amendment analysis for trademark parody, the first step is to find whether the defendant's use of the trademark is unlawful, confusing, misleading or disparaging using the tests for trademark infringement.[62] Next, a determination should be made as to whether the material or speech is commercial or non-commercial, *i.e.* communicative.[63] If the material or speech involved could be considered commercial, then the First Amendment protection is lost, and the interests are instead analyzed in the traditional infringement context.[64] On the other hand, if the material or speech involved is non-commercial or communicative, then a First Amendment balancing test is used to find whether the interest in

[60] *See* Harley-Davidson, 13 F. Supp.2d 271 (N.D.N.Y. 1998) (involving infringement of "Harley-Davidson" trademark by use of "Harley Rendezvous"); Eppendorf-Netheler-Hinz v. Enterton Co., 89 F. Supp.2d 483 (S.D.N.Y. 2000); Coleman, 619 F. Supp. 950 (W.D.N.Y. 1985) (involving infringement of "Combitips" trademark by use of "Combi-Syringe").
[61] *Atlas*, 112 F. Supp.2d at 335.
[62] Mark V.B. Partridge, *Trademark Parody and the First Amendment: Humor in the Eye of the Beholder*, 29 J. MARSHALL L. REV. 877, 889 (1996).
[63] *Id.*
[64] *Id.*

free expression outweighs the interest in avoiding consumer confusion.[65]

1. Infringement: The Likelihood of Confusion of Competing Goods

Even though a claim of parody seems to be a defense to an infringement claim, parody is not actually a separate "defense," but instead just a way of phrasing "no likelihood of confusion."[66] In other words, parody is just another factor to be weighed in the test of likelihood of confusion.[67] Eight factors are analyzed to find a likelihood of confusion in trademark cases, also known as the *Polaroid* test.[68] The *Polaroid* test was created from a case involving a dispute between companies that sold competing commercial goods.[69] Even though Atlas and DC Comics do not sell competing goods, the Atlas court applied the *Polaroid* test. To find whether a likelihood of confusion exists, courts look at 1) the strength of the mark; 2) the similarity of the parties' marks; 3) the proximity of the parties' products in the marketplace; 4) the likelihood that the prior user will bridge the gap between the products; 5) actual confusion; 6) the defendant's good or bad faith in adopting the mark; 7) the quality of defendant's product; and 8) the sophistication of the relevant consumer group.[70]

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[65] *Id.* at 885 (citing Anheuser-Busch, Inc. v. Balducci Publications, 28 F.3d 769 (8th Cir. 1994)).

[66] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:153 (4th Ed. 1997) (citing Mutual of Omaha Ins. Co. v. Novak, 648 F. Supp. 905 (D. Neb. 1986), *aff'd*, 836 F.2d 397 (8th Cir. 1988); Schieffelin & Co. v. Jack Company of Boca, Inc., 725 F. Supp. 1314 (S.D.N.Y. 1989); Hard Rock Café Licensing Corp. v. Pacific Graphics, Inc., 776 F. Supp. 1454 (W.D. Wash. 1991); Nike Inc. v. "Just Did It" Enter., 6 F.3d 1225 (7th Cir. 1993); Dr. Seuss Enter. v. Penguin Books USA, Inc., 109 F.3d 1394 (9th Cir. 1997); Elvis Presley Enter. v. Capece, 141 F.3d 188 (5th Cir. 1998)).

[67] *Id.*

[68] Polaroid Corp. v. Polarad Electronics Corp., 287 F.2d 492, 495 (2nd Cir. 1961).

[69] *Id.* at 492.

[70] *Atlas*, 112 F. Supp.2d at 339 (citing *Polaroid Corp.*, 287 F.2d 492).

a. Strength of the Mark

The strength of a mark is defined as "its tendency to identify the goods sold under the mark as emanating from a particular, although possibly anonymous, source," and is a function of its distinctiveness.[71] The advertisement showing the Mac character becoming a muscular man had been used by Atlas for over seventy years.[72] The use of the image of Charles Atlas in leopard-skin trunks in a bodybuilding pose is also well known as a representation of the company.[73] The long period of consistent use, reputation, and consumer recognition contribute to the strength of Atlas' marks.[74] The court's opinion concedes that Atlas' mark was strong.[75] The strength factor weighs undisputedly in Atlas' favor.

b. The Similarity of the Marks

Similarity in the *Polaroid* test is not just an analysis of the marks themselves, but it is also an analysis of whether the similarity is likely to cause confusion and what effect the similarity has upon prospective purchasers.[76] This factor also undisputedly falls in favor of Atlas. DC's first strip in the Flex Mentallo series was *exactly the same* as Atlas' ad except for the last frame.[77] DC even went so far as to copy the placement of the characters and objects on the beach, such as the beach ball and umbrella.[78] One notable difference between the characters was that Flex Mentallo was wearing the leopard-skin trunks, similar to the Charles Atlas

[71] Jordache Enter., Inc. v. Levi Strauss & Co., 841 F. Supp. 506, 515 (S.D.N.Y. 1993) (quoting McGregor-Doniger Inc. v. Drizzle Inc., 599 F.2d 1126, 1132 (2nd Cir. 1979)).
[72] *Atlas*, 112 F. Supp.2d at 331.
[73] *Id.*
[74] *Jordache*, 841 F. Supp. at 516.
[75] *Atlas*, 112 F. Supp.2d at 339.
[76] The Sports Authority, Inc. v. Prime Hospitality Corp., 89 F.3d 955 (2nd Cir. 1996) (quoting *McGregor-Doniger*, 599 F.2d at 1133).
[77] *Atlas*, 112 F. Supp.2d at 332.
[78] *Id.*

image, while Mac did not.[79] This difference only points to DC's intent to copy not only the ad, but also the overall image of the Atlas company. Finally, the Flex Mentallo character had the words "Hero of the Beach" floating above his head, exactly the same as Atlas' ad.[80] The Atlas court admitted and agreed that the advertisement and comic strip were extremely similar.[81] While similarity is only one factor in an analysis of many, the substantial *degree* of similarity between the ad and the comic contributes to a likelihood of confusion.

c. The Proximity of the Products in the Marketplace

"Products which directly compete in the marketplace clearly warrant a finding of the highest degree of competitive proximity," creating a strong likelihood of confusion.[82] While the bodybuilding and comic book businesses would not be considered competitive, confusion could still exist in the absence of any direct competition.[83] While this factor may seem to literally favor the defendant, the plaintiff could still argue that a likelihood of confusion could exist regardless of the outcome of this factor.

d. Likelihood of Bridging the Gap

This factor analyzes the possibility and interest of the plaintiff in "bridging the gap" to produce and sell products in the same channel of trade and market as the defendant.[84] Atlas has shown no evidence that it intends to begin a comic book business, and since the markets are so far apart, it is unlikely that Atlas will bridge the gap. This small factor weighs in favor of DC Comics.

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[79] *Id.*
[80] *Id.*
[81] *Id.* at 340.
[82] *Jordache*, 841 F. Supp. at 517 (quoting Hasbro, Inc. v. Lanard Toys, Ltd., 858 F.2d 70, 77 (2nd Cir. 1988)).
[83] Anheuser-Busch, Inc. v. Balducci Publications, 28 F.3d 769, 774 (8th Cir. 1994) (citing SquirtCo v. Seven-Up Co., 628 F.2d 1086, 1091 (8th Cir. 1980)).
[84] The Sports Authority, Inc. v. Prime Hospitality Corp., 89 F.3d 955, 963 (2nd Cir. 1996).

e. Actual Confusion

To show actual confusion, Atlas had to demonstrate that DC Comics' use of the Atlas character "could inflict commercial injury in the form of either diversion of sales, damage to goodwill, or loss of control over reputation."[85] While Atlas did not conduct a survey of consumers to find actual confusion, the plaintiff did introduce evidence of confusion as to the source and association of the Flex Mentallo comic strip.[86] Even though there was not any showing of confusion resulting in diversion of sales, a strong possibility still exists that consumers were confused by an affiliation, association, or sponsorship with Atlas.

f. Defendant's Faith in Adopting the Mark

The good faith factor analyzes whether DC Comics used the Atlas strip and images with the intention of capitalizing on Atlas' reputation and goodwill.[87] Rather than just copy the Atlas ad as it was published in the comic, the author additionally pulled images from other Atlas trademarks. In addition, as soon as DC received notice that Atlas was aware of the comic, the company stopped running or printing the Flex Mentallo character.[88] It could be inferred that the defendant was not just trying to "poke fun" at the Atlas ad, but instead was actually trying to capitalize on the popular images and story line.

g. The Quality of Defendant's Product

The quality factor is relevant in cases where the plaintiff's and defendant's products are in direct or at least relatively close competition. Bodybuilding and comic books are not products or

[85] *Id.* (quoting Lang v. Retirement Living Publishing Co., 949 F.2d 576, 583 (2nd Cir. 1991)).
[86] Charles Atlas, Ltd. v. DC Comics, Inc., 112 F. Supp.2d 330, 340 (S.D.N.Y. 2000).
[87] *The Sports Authority*, 89 F.3d at 963 (quoting *Lang*, 949 F.2d at 583).
[88] *Atlas*, 112 F. Supp.2d at 333.

services that compete against each other. However, this factor could be important in a tarnishment analysis. Tarnishment occurs when the higher quality product's reputation is negatively affected by a confusingly similar product of lesser quality and inferiority.[89] The last frame of the first Flex Mentallo strip depicted him beating up a woman on the beach while calling her a tramp.[90] If consumers were confused and believed DC Comics had the sponsorship or approval of Atlas, this would reflect negatively on Atlas and the goodwill of its marks.

h. The Sophistication of the Buyer

The analysis of the sophistication of buyers is based on "the general impression of the ordinary purchaser, buying under the normally prevalent conditions of the market and giving the attention such purchasers usually give in buying that class of goods."[91] This factor is typically analyzed in reference to competing goods, where an infringing trademark could confuse consumers into buying goods they erroneously believe to be the trademark owner's. While this is not the situation, this factor could still be analyzed in Atlas' favor. While avid comic book readers are probably sophisticated buyers in that they are aware and know the difference between comic book publishers and characters, the *Atlas* case presents a different situation. Even though comic buyers may know *what* they are buying, this does not prevent confusion from *within* the comic. In other words, readers that are loyal to DC Comics have inevitably been exposed to the Atlas advertisement showing the Mac character on the beach. When they buy the Flex Mentallo series, it is likely that they may be confused as to the sponsorship of the character's series. After seeing Atlas' ad in the comic for so many years, based on the extreme similarity between Mac and Flex, consumers

[89] *Jordache*, 841 F. Supp. at 520 (quoting Edison Bros. Stores, Inc. v. Cosmair, Inc., 651 F. Supp. 1547, 1561 (S.D.N.Y. 1987)).
[90] *Atlas*, 112 F. Supp.2d at 332.
[91] New York Stock Exchange, Inc. v. New York, New York Hotel, LLC, 69 F. Supp.2d 479, 487 (S.D.N.Y. 1999); The Sports Authority, Inc., 89 F.3d at 965.

may assume Atlas and DC Comics have an association or agreement to promote the Flex Mentallo character. The Atlas court assumed avid comic book buyers were sophisticated, and they would therefore know the difference. But this conclusion assumes the comic book buyer might be confused as to the product *source*, as if the products in question were competing goods. This conclusion and assumption is misplaced. Because Atlas had advertised *within* the comic for so many years, the possibility of consumer confusion under this factor also weighs in favor of Atlas.

The Atlas court compared DC's comic with Atlas' advertisement, and analyzed both under the factors of the *Polaroid* test to find a likelihood of confusion.[92] The court found that a likelihood of confusion was minimal, but only analyzed the material under the *Polaroid* test, which is used to compare *competing* goods.[93] If analyzed properly, as above, the *Polaroid* test could show a likelihood of consumer confusion and favor Atlas. However, according to the *American Law Reports*, a different test is used to find whether a likelihood of confusion exists between a parody and the original trademark, or between *non-competing* goods.[94] While the Atlas court found under the *Polaroid* test that a likelihood of confusion was minimal, it is also necessary to analyze the material as non-competitive goods.[95] The *Sleekcraft* test to find a likelihood of confusion can be used in all trademark infringement cases, both competitive and non-competitive.[96]

2. Infringement: The Likelihood of Confusion of Non-Competing Goods

The *Sleekcraft* test analyzes the following factors: 1) the strength of the mark; 2) the proximity of the goods; 3) the

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[92] *Atlas*, 112 F. Supp.2d at 339.

[93] *Id.*

[94] Martin J. McMahon, Annotation, *Parody as Trademark or Tradename Infringement*, 92 A.L.R. Fed. 25 (1999).

[95] *Id.*

[96] Dr. Seuss Enter. v. Penguin Books USA, Inc., 109 F.3d 1394, 1404 (9th Cir. 1997) (citing AMF Inc. v. Sleekcraft Boats, 599 F.2d 341 (9th Cir. 1979)).

similarity of the marks; 4) the evidence of actual confusion; 5) the marketing channels used; 6) the type of goods and the degree of care likely to be exercised by the purchaser; 7) the defendant's intent in selecting the mark; and 8) the likelihood of expansion of the product lines.[97] In comparison to the *Polaroid* test, the *Sleekcraft* test analyzes the defendant's intent, which is an important factor in cases involving parody.[98] As shown under the *Polaroid* test, the factors of strength, proximity of the goods, similarity, and degree of care by the purchaser favor the Atlas company. Additionally, the marketing channels and defendant's intent factors also favor Atlas.

a. Marketing Channels

While the marketing channels are not specifically the same in this case, this factor could be argued to weigh in favor of Atlas. DC Comics produces and publishes comic books, usually with characters in stories that evolve into a series of strips. Atlas, on the other hand, is in the athletic bodybuilding business. While these *types* of business are dissimilar, the marketing channels could be considered similar. Atlas had advertised in DC Comics for years, using its trademarked comic strip as its ad. In this case, the plaintiff actually marketed its business *in* the defendant's *product*. This fact contributes to a likelihood that a long-time reader of DC Comics, after seeing Atlas' ad many times, would believe either that Flex Mentallo was actually an ad for Atlas, or that Atlas sponsored the series.

b. Defendant's Intent in Selecting the Mark

An important factor in this infringement test is the analysis of the defendant's intent in choosing to include the plaintiff's mark in its material. The author of the Flex Mentallo series, Grant Morrison, was known for "his somewhat dark and surreal style."[99]

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[97] *Id.*
[98] *Id.*
[99] *Atlas*, 112 F. Supp.2d at 338.

While Morrison's intent for using Atlas' images as the basis for a new DC character was not outwardly clear, the author's intent can be inferred from surrounding circumstances. As noted previously, while Atlas' Mac character does not wear the leopard-skin trunks like the Atlas image, Flex Mentallo is depicted in this outfit.[100] The Flex Mentallo character appeared in several issues of the DC Comic series called "Doom Patrol," in its own series entitled "Flex Mentallo No. 1," and was also listed in DC's "Who's Who in the DC Universe."[101] This was not the case of a parody of the popular Atlas ad, but was instead the creation of a new DC character copied from the Atlas image and trademark. DC had intended to include the character in a trade paperback, but aborted that plan when Atlas discovered the infringing material.[102] The question then arises: how far would DC Comics have gone to market the Flex Mentallo character? DC Comics is famous for its "superhero" characters such as Superman and Batman.[103] These characters were extensively marketed beyond the comic book format, into cartoons and countless products such as T-shirts, pajamas, and costumes. DC would not have First Amendment protection for the commercial sale of products that included the Atlas image as the DC character Flex Mentallo because the expressive value would be lost. While it is not clear that marketing Flex Mentallo was DC's future intent, the series of comic books and other publications show the direction DC could have been headed with this character.

If DC's intent in publishing the Flex Mentallo series was not specifically an intent to confuse, it could at least be considered an indifference to the possibility that the source or sponsorship of the comic may mislead consumers.[104] The comic book company never made any effort to clarify that the comic was not affiliated with Atlas by posting any type of disclaimer to that effect.[105] The

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[100] *Id.* at 332.
[101] *Id.*
[102] *Id.* at 333.
[103] *Id.* at 332.
[104] Anheuser-Busch, Inc. v. Balducci Publications, 28 F.3d 769, 774 (8th Cir. 1994).
[105] *Atlas*, 112 F. Supp.2d at 338.

Atlas court made mention of this fact in a footnote, and pointed out that finding a parody is not determined solely by the presence of a disclaimer.[106] However, the court did agree that the use of a disclaimer would have *strengthened* DC's defense.[107]

Analysis under the *Sleekcraft* test strongly favors Atlas in a likelihood of confusion. If a court were to analyze the factors of both the *Polaroid* and *Sleekcraft* tests collectively, a finding in favor of Atlas would be necessary.

3. Parody: Commercial versus Non-Commercial Material

As outlined in the Introduction, a parody is "a literary or artistic work that imitates the characteristic style of an author or a work for comic effect or ridicule."[108] As such, it receives First Amendment protection as an expressive work.[109] The assumption is that a parody is meant to communicate an editorial, a political message, or a comment.[110] If the material is non-commercial, and therefore communicative, then a balancing test is applied to find whether the interest in free expression outweighs the interest in avoiding consumer confusion. [111] To determine whether material is commercial or communicative, courts typically look at the medium in which the speech appears.[112] For instance, a popcorn product packaged in a champagne bottle with the name "Dom Popignon" was considered commercial because the defendant did not base the

[106] *Id.*
[107] *Id.*
[108] *Id.* (quoting Campbell v. Acuff-Rose Music, Inc., 510 U.S. 569, 580 (1994)).
[109] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:147 (4th Ed. 1997).
[110] *Id.*
[111] Anheuser-Busch, Inc. v. Balducci Publications, 28 F.3d 769, 776 (8th Cir. 1994) (citing Cliffs Notes, Inc. v. Bantam Doubleday Dell Pub. Group, 886 F.2d 490, 493 (2d Cir. 1989).
[112] Schieffelin & Co. v. Jack Company of Boca, Inc., 725 F. Supp. 1314, 1324 (S.D.N.Y. 1989).

parody on artistic or political expression, and was selling the product for the underlying purpose of economic gain.[113]

If a medium is considered communicative rather than commercial, then the First Amendment balancing test is applied. Does the interest in protecting expressive work outweigh the interest in avoiding consumer confusion?[114] In a case where the defendant's ad was an unaltered copy of the original, the court found that the defendant failed to disclose that the ad was a parody.[115] Without a disclaimer, the ad unnecessarily created confusion, and therefore, the interest in avoiding consumer confusion was greater.[116]

Even if the First Amendment interests were more important in the communicative material, another issue arises before the material is dubbed "parody." It is undisputed in parody cases that the plaintiff owns a property right in the material as a trademark.[117] Based on this, a court "need not yield to the exercise of First Amendment rights under circumstances where adequate alternative avenues of communication exist."[118] Since the purpose of parody is to communicate a message or other form of expression, it should be communicated in a way that is least likely to cause consumer confusion.[119] A parody is, by definition, an unauthorized use of someone else's trademark.[120] As such, the infringement of that trademark will only be excused as a parody when it is necessary to the purpose of the use.[121]

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[113] *Id.* at 1322. *See also* Mark V.B. Partridge, *Trademark Parody and the First Amendment: Humor in the Eye of the Beholder*, 29 J. MARSHALL L. REV. 877, 889 (1996).

[114] *Anheuser-Busch, Inc.*, 28 F.3d at 776.

[115] *Id.*

[116] *Id.*

[117] Mutual of Omaha Ins. Co. v. Novak, 836 F.2d 397, 402 (8th Cir. 1988) *aff'g* 648 F. Supp. 905 (D. Neb. 1986).

[118] *Id.*

[119] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:153 (4th Ed. 1997).

[120] *Id.*

[121] Mark V.B. Partridge, *Trademark Parody and the First Amendment: Humor in the Eye of the Beholder*, 29 J. MARSHALL L. REV. 877, 889 (1996) (citing Dr. Seuss Enter. v. Penguin Books USA, Inc., 109 F.3d 1394, 1404 (9th Cir. 1997)).

In its determination of commercial or communicative material, the Atlas court analyzed the issues under the First Amendment balancing test.[122] It decided DC's use of Atlas' comic ad was to convey a storyline, and as such, it was meant to convey an idea through literary and artistic work.[123] However, the court failed to take into consideration the fact that DC Comics created an entire series based on the Flex Mentallo character. It only seemed to analyze the issue as applied to the first comic strip, which was the exact duplicate of Atlas' ad except for the last frame. The actual sale of the comic books is another additional factor missing from the court's opinion in finding expression in Flex Mentallo.[124] Flex Mentallo was the basis for an entire series of comics, and in turn, helped promote the commercial sale of the books themselves. The comic cannot be protected as a parody if the unauthorized use of the plaintiff's ad was to drive the company's market of comic books. With the analysis of these additional factors, the court's opinion would have been different. While the marketing of comic books could be broadly considered an entertainment purpose, the marketing *and sale* of these books is the *commercial exploitation* of entertainment.[125] Writing a comic strip series based on a character that is a registered trademark of another business is not an expressive purpose: it is not a commentary, nor a news report, nor a criticism.[126] These are clearly not communicative uses. DC capitalized on the integrity, goodwill, and popularity of Atlas' image, and used the image to promote its business.

Apart from the likelihood of confusion and First Amendment analyses, in determining whether material should be protected as a parody, other factors arise. Parody protection should not extend to cases where the parody attacks something *other* than the parodied

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[122] *Atlas*, 112 F. Supp.2d at 336.

[123] *Id.* at 338.

[124] *See* Coca-Cola Co. v. Gemini Rising, Inc., 346 F. Supp. 1183 (E.D.N.Y. 1972) (finding a derivation of substantial revenue from the sale of posters copying the plaintiff's trademark; was not considered a parody).

[125] DC Comics, Inc. v. Unlimited Monkey Business, 598 F. Supp. 110, 116 (N.D. Ga. 1984).

[126] *Atlas*, 112 F. Supp.2d at 335 (citing Yankee Publ'g Inc. v. News America Publ'g Inc., 809 F. Supp. 267, 276 (S.D.N.Y. 1992)).

work.[127] In other words, the plaintiff's mark must be, at least in part, the *target* of the defendant's parody.[128] The Atlas court stated that the Flex Mentallo character is a "farcical commentary on plaintiff's implied promises of physical and sexual prowess through use of the Atlas [bodybuilding] method."[129] In this case, it is incidental that the comic targets Atlas and its image in its first strip. As outlined above, DC's intent was not to attack or make Atlas the target of a parody, but rather to capitalize on the company's reputation and goodwill.

III. CONCLUSION

Freedom of expression and speech are fundamental rights under the First Amendment. Between the struggle of rights to property and access to property, writers and creators try to find a balance. A comic strip, standing alone, would most likely be meant to have a comic effect or to ridicule something, especially if it ends with a twist. If an artist wants to make fun of a trademark, sometimes the only way to do this is to use the trademark in the parody. However, this expression can only be protected to the extent that the creator intended to communicate, not to copy. DC Comics ran a comic strip that, by itself, may have had a good claim as a parody. Unfortunately, the "parody" did not stop at one strip. The comic book, over seven years, used the likeness of Charles Atlas to create a "sensational" new character to include in its comic book series.[130] DC reaped the benefits of this new character through a series of comic books based entirely on the copied character. This goes beyond poking fun at Charles Atlas.

As outlined in this Note, the district court for the Southern District of New York made a snap decision on a case that should have required more analysis. The likelihood of confusion was much more than "minimal," as the court found, and the basis for

[127] J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 31:153 (4th Ed. 1997) (citing Richard Posner, *When is Parody Fair Use?* 21 J. LEGAL STUDIES 67 (1992)).
[128] Campbell, 510 U.S. 569 (1994).
[129] *Atlas*, 112 F. Supp.2d at 338.
[130] *Id.* at 332.

finding parody in this case was misplaced. The case law in support of finding that the statute of limitations had run was irrelevant, and therefore, the court's determination on the basis of that case law was erroneous. With closer analysis, the Atlas court should not have granted defendant's motion for summary judgment because issues of material fact existed. The Charles Atlas company should have a remedy for their injuries due to trademark infringement.

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